

KENTUCKY REAL ESTATE APPRAISERS BOARD

TYPE OF MEETING

Regular Meeting

DATE AND LOCATION

May 28, 2010 – 9:00 a.m. – 135 W. Irvine Street, Suite 301, Richmond, KY

PRESIDING OFFICER

Sam Blackburn, Vice Chair

ROLL CALL

Present:

Sam E. Blackburn, Vice Chair
G. Herbert Pritchett, Board Member
Harold Brantley, Board Member
Kathy Mayfield, Board Member

Present Also:

Larry Disney, Executive Director
Angie Thomas, Staff Assistant
James Grawe, Board Counsel
Dennis Badger, Investigator

Absent:

Dorsey Hall, Chair

Vice Chair, Sam Blackburn opened the meeting and welcomed the guest. The guests in attendance were Tom Veit, Andy Peak and Glen J. Miller.

NEW BOARD MEMBER OATH OF OFFICE

Angie Thomas, Notary Public performed the Oath of Office on May 12, 2010 for new Board Member Kathy Mayfield, of Winchester, Kentucky.

ELECTION OF OFFICERS

Per KRS 324A.025 an election of officers will be held after appointment of new members. Dorsey Hall, Board member joined the meeting by phone. Nomination and motion was made by Harold Brantley to elect Dorsey Hall as Chair and Sam Blackburn as Vice Chair, a second was made by Herbert Pritchett, and the vote was unanimous.

Motion by Herbert Pritchett, second by Harold Brantley and the Board unanimously approved the April 23, 2010 minutes.

EDUCATION

Motion by Herbert Pritchett, second by Harold Brantley and the Board unanimously agreed to approve the following education courses for fiscal year 2009-2010:

- (1) Association of Consulting Foresters – One continuing education classroom course:
 - (a) Tree Appraisal Workshop – 6 hours CE classroom

Motion by Harold Brantley, second by Herbert Pritchett and the Board unanimously agreed to approve the following education courses for fiscal year 2010-2011:

- (1) **Appraisal Institute** – 24 QE Classroom, 26 CE Classroom, 10 QE Online, 38 CE online
Qualifying Education Classroom
 - (1) Advanced Applications (Elective Hours) – 30 QE Classroom
 - (2) Advanced Income Capitalization – 40 QE Classroom
 - (3) Advanced Income Capitalization (revised) – 33 QE Classroom
 - (4) Advanced Residential Applications and Case Studies – 15 QE Classroom
 - (5) Advanced Residential Report Writing, Part 2 – 30 QE Classroom
 - (6) Advanced Sales Comparison & Cost Approaches – 40 QE Classroom
 - (7) Alternative Uses & Cost Valuation of Small, Mixed-Use Properties – 16 QE Classroom
 - (8) Apartment Appraisal: Concepts and Applications – 16 QE Classroom
 - (9) Basic Appraisal Principles – 30 QE Classroom
 - (10) Basic Appraisal Procedures – 30 QE Classroom
 - (11) General Appraiser Income Approach, Part 1 – 30 QE Classroom
 - (12) General Appraiser Income Approach, Part 2 – 30 QE Classroom
 - (13) General Appraiser Market Analysis and Highest and Best Use – 30 QE Classroom
 - (14) General Appraiser Report Writing and Case Studies – 30 QE Classroom
 - (15) General Appraiser Sales Comparison Approach – 30 QE Classroom

- (16) General Appraiser Site Valuation & Cost Approach 30 QE Classroom
- (17) Income Valuation of Small, Mixed-Use Properties – 16 QE Classroom
- (18) National USPAP – 15 QE Classroom
- (19) Real Estate Finance, Statistics, and Valuation Modeling – 15 hours QE Classroom
- (20) Residential Market Analysis and Highest and Best Use – 15 hours QE Classroom
- (21) Residential Report Writing & Case Studies – 15 hours QE Classroom
- (22) Residential Sales Comparison & Income Approaches – 30 hours QE Classroom
- (23) Residential Site Valuation and Cost Approach – 15 hours QE Classroom
- (24) Sales Comparison Valuation of Small, Mixed-Use Properties – 16 hours QE Classroom

Continuing Education Classroom

- (1) An Introduction to Valuing Commercial Green Buildings – 7 CE Classroom
- (2) Analyzing the Effects of Environmental Contamination on Real Property – 7 hours CE Classroom
- (3) Appraisal Challenges: Declining Markets and Sales Concessions – 7 hours CE Classroom
- (4) Appraisal Curriculum Overview-General – 15 hours CE Classroom
- (5) Appraisal Curriculum Overview-Residential – 8 hours CE Classroom
- (6) Appraisal Opportunity-The Lending World in Crisis – 7 hours CE Classroom
- (7) Appraising Distressed Commercial Real Estate – 7 hours CE Classroom
- (8) Appraising Historic Preservation Easements – 23/21 hours CE Classroom
- (9) Business Practices and Ethics – 5 hours CE Classroom
- (10) Commercial Appraisal Engagement & Review Seminar for Bankers and Appraisers – 7 hours CE Classroom
- (11) Condemnation Appraising: Principles and Applications – 21/22 hours CE Classroom
- (12) General Demonstration Appraisal Report Writing – 7 hours CE Classroom
- (13) Introduction to Conservation Easement Valuation – 7 hours CE Classroom
- (14) Introduction to Valuation for Financial Reporting – 7 hours CE Classroom
- (15) Litigation Appraising: Specialized Topics & Applications – 15 hours CE Classroom
- (16) National USPAP Update – 7 hours CE Classroom
- (17) REO Appraisal- Appraisal of Residential Property for Foreclosure Pre-Foreclosure – 7 hours CE Classroom
- (18) Report Writing & Valuation Analysis – 40 hours CE Classroom
- (19) Residential Design: The Makings of Good House – 7 hours CE Classroom
- (20) Subdivision Valuation – 7 hours CE Classroom
- (21) The Appraiser as an Expert Witness: Preparation & Testimony – 15 hours CE Classroom
- (22) The Discounted Cash Flow Model – 7 hours CE Classroom

- (23) Uniform Appraisal Standards for Federal Land Acquisitions – 16 hours CE Classroom
- (24) Using Spreadsheet Programs in Real Estate Appraisals: The Basics – 7 hours CE Classroom
- (25) Valuation of Conservation Easements – 33 hours CE Classroom
- (26) Valuation of Green Residential Properties – 7 hours CE Classroom

Qualifying Education Online (Distance Education)

- (1) On-line Apartment Appraisals – Concepts and Applications – 16 hours QE Online
- (2) On-line Basic Appraisal Principles – 30 hours QE Online
- (3) On-line Basic Appraisal Procedures – 30 hours QE Online
- (4) On-line General Appraiser Sales Comparison Approach – 30 hours QE Online
- (5) On-line General Appraiser Site Valuation and the Cost Approach – 30 hours QE Online
- (6) On-line Real Estate Finance, Statistics & Valuation Modeling – 15 hours QE Online
- (7) On-line Residential Market Analysis and Highest and Best Use – 15 hours QE Online
- (8) On-line Residential Report Writing & Case Studies – 15 hours QE Online
- (9) On-line Residential Sales Comparison and Income Approach – 30 hours QE Online
- (10) On-line Residential Site Valuation & Cost Approach – 15 hours QE Online

Continuing Education Online (Distance Education)

- (1) On-line Advanced Internet Search Strategies – 7 hours CE Online
- (2) On-line An Introduction to Valuing Commercial Green Buildings – 7 hours CE Online
- (3) On-line Analyzing Distressed Real Estate - 4 hours CE Online
- (4) On-line Analyzing Operating Expenses - 7 hours CE Online
- (5) On-line Appraisal Curriculum Overview – Residential - 8 hours CE Online
- (6) On-line Appraisal of Nursing Facilities - 9 hours CE Online
- (7) On-line Appraising Convenience Stores - 7 hours CE Online
- (8) On-line Appraising from Blueprints and Specifications - 7 hours CE Online
- (9) On-line Appraising Manufactured Housing - 7 hours CE Online
- (10) On-line Business Practices and Ethics – 5 hours CE Online
- (11) On-line Condominiums, Co-ops and PUD's - 7 hours CE Online
- (12) On-line Cool Tools: New Technology for Real Estate Appraisers - 7 hours CE Online
- (13) On-line Data Verification Methods – 5 hours CE Online
- (14) On-line Eminent Domain and Condemnation - 7 hours CE Online.
- (15) On-line Feasibility, Market Value, Investment Timing - 7 hours CE Online
- (16) On-line FHA & The Appraisal Process - 7 hours CE Online
- (17) On-line Forecasting Revenue - 7 hours CE Online
- (18) On-line GIS – The Building Case Study – 21 hours CE Online

- (19) On-line GIS – The Executive Overview - 7 hours CE Online
 - (20) On-line GIS – The Novice Case Study - 7 hours CE Online
 - (21) On-line Marshall & Swift Commercial Cost Training - 7 hours CE Online
 - (22) On-line Marshall & Swift Residential Cost Training – 10 hours CE Online
 - (23) On-line Professionals Guide to the Fannie Mae 2-4 Unit Form 1025 – 10 hours CE Online
 - (24) On-line Professionals Guide to the Uniform Residential Appraisal Report - 7 hours CE Online
 - (25) On-line Rates & Ratios: Making Sense of GIM's, OAR's and DCF - 7 hours CE Online
 - (26) On-line Real Estate Appraisal Operations – 4 hours CE Online
 - (27) On-line Residential Challenge: Declining Markets and Sales Concessions - 7 hours CE Online
 - (28) On-line Residential Design and Functional Utility - 7 hours CE Online
 - (29) On-line Residential Property Construction and Inspection - 7 hours CE Online
 - (30) On-line Reviewing Residential Appraisals and Using Fannie Mae Forms 2000 - 7 hours CE Online
 - (31) On-line Scope of Work: Expanding Your Range of Services - 7 hours CE Online
 - (32) On-line Site Use & Valuation Analysis – 6 hours CE Online
 - (33) On-line Small Hotel/Motel Valuation - 7 hours CE Online
 - (34) On-line Subdivision Valuation - 7 hours CE Online
 - (35) On-line Supervising Appraisal Trainees – 4 hours CE Online
 - (36) On-line Using Your HP12C Financial Calculator - 7 hours CE Online
 - (37) On-line Valuation of Green Residential Properties - 7 hours CE Online
 - (38) On-line What Commercial Clients Would Like Appraisers to Know - 7 hours CE Online
- (2) **Redd, Brown & Williams Educational Services** – One continuing education classroom course – Approved from May 7, 2010 – June 30, 2011 (Retroactive approval)
- (1) Regulatory & Underwriting Issues – 7 hours CE classroom
- (3) **McKissock, LP** – Two continuing education classroom courses and one continuing education online course - Approved from May 28, 2010 – June 30, 2011
- (1) HVCC and the Future of Appraising: Taking Back Our Profession! – 4 hours classroom CE
 - (2) REO and Short Sale Appraisal Guidelines – 4 hours classroom CE
 - (3) Appraising and Analyzing Office Buildings for Mortgage Underwriting – 7 hours online CE
- (4) **U.S. Department of Housing and Urban Development** – One continuing education online course: Approved from May 28, 2010 – June 30, 2011

- (1) FHA Basics for Appraisers – 4 hours with examination online CE
- (5) **Appraisal Institute** – One continuing education classroom: Approved from May 28, 2010 – June 30, 2011
 - (1) Advanced Market Analysis and Highest & Best Use – 30 hours w/o exam
- (6) **American Society of Farm Managers and Rural Appraisers** – Two qualifying education classroom and four continuing education classroom courses: Approved from May 28, 2010 – June 30, 2011
 - (1) Basic Appraisal Principles – 30 hours QE and 28 hours CE
 - (2) Advanced Approaches to Value for Rural Appraisal – 45 hours QE and 41 hours CE – NEW COURSE
 - (3) Appraisal Review Under USPAP – 22 hours CE
 - (4) Eminent Domain – 20 hours CE
 - (5) Introduction to Appraisal Review – 14 hours CE
 - (6) National USPAP Update – 7 hours CE
- (7) **Bluegrass Chapter Appraisal Institute** – One continuing education classroom course: Approved from May 28, 2010 – June 30, 2011
 - (1) Conservation Easement Seminar – 4 hours CE
- (8) **American Society of Farm Managers & Rural Appraisers** – One continuing Education classroom course: Approved from May 28, 2010 – June 30, 2011
 - (1) Appraising Rural Residential Properties – 8 hours CE

EXPERIENCE REVIEW

Motion by Herbert Pritchett, second by Harold Brantley and the Board unanimously agreed to accept staff recommendation and approved the following experience:

- (1) Matthew Hoffner – Approve for Certified Residential

CERTIFICATION/LICENSURE

Motion by Harold Brantley, second by Herbert Pritchett and the Board voted to approve a total of nine (9) individuals for certification/licensure.

- (1) Rayman Scott Barber – Certified General (West Virginia)
- (2) David R. Bethel – Certified General (Texas)
- (3) Jennifer L. Gregory - Associate
- (4) Patricia J. Hatfield – Associate
- (5) Matthew Hoffner – Certified Residential

- (6) Teresa G. Hudson - Associate
- (7) Michael R. Martyn – Certified Residential (Indiana)
- (8) Michael B. Stanger – Associate
- (9) Brian B. Woods – Certified General (Indiana)

COMPLAINT

- A. Case Summary Flow Chart – Larry Disney advised the Board that all but one case has been investigated up to the month of April 2010.
- B. Dennis Badger – Report on the contractor activities.
- C. The Board was advised there have been a total of 21 cases filed for 2010.
- D. Case No. 09-60 – Motion by Herbert Pritchett, second by Harold Brantley and the Board voted unanimously to file a formal complaint and set the case for a hearing.
- E. Case No. 09-61 - Motion by Harold Brantley, second by Herbert Pritchett and the Board voted unanimously to file a formal complaint and set the case for a hearing.
- F. Case No. 10-01 – Motion by Herbert Pritchett, second by Harold Brantley and the Board voted unanimously to dismiss with a letter of caution due to the passage of time on the appraisal report in question.
- G. Case No. 10-02 - Motion by Harold Brantley, second by Kathy Mayfield and the Board voted unanimously to dismiss the case.
- H. Case No. 10-04 - Motion by Kathy Mayfield, second by Harold Brantley and the Board voted unanimously to dismiss the case.
- I. Case No. 10-05 - Motion by Herbert Pritchett, second by Kathy Mayfield and the Board voted unanimously to file a formal complaint and set the case for a hearing.
- J. Case No. 10-06 – Motion by Harold Brantley, second by Herbert Pritchett and the Board voted unanimously to file a formal complaint and set the case for a hearing.
- K. Case No. 09-35 – Motion by Kathy Mayfield, second by Harold Brantley and the Board voted unanimously to dismiss with a letter of caution for not responding to the grievant.
- L. Case No. 10-07 - Motion by Harold Brantley, second by Herbert Pritchett and the Board voted unanimously to dismiss the case with a letter of caution for not summarizing three year sales history of subject property.
- M. Case No. 10-09 – Motion by Kathy Mayfield, second by Herbert Pritchett and the Board voted unanimously to dismiss the case with a letter of caution for measurement calculation reporting requirements.
- N. Case No. 10-10 – Motion by Herbert Pritchett, second by Harold Brantley and the Board voted unanimously file a formal complaint and set the case for a hearing.
- O. Case No. 09-55 – Benjamin Davidson - Motion by Kathy Mayfield, second by Harold Brantley and the Board voted unanimously to accepted the agreed order, whereby, the respondent agrees to the following:
 - (a) Davidson shall be awarded credit for the 30 hour Report Writing Course completed from the Appraisal Institute on March 1-6, 2010. Said 30 hours of education shall be in addition to the regular continuing education

requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(b) Davidson shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(c) Davidson agrees that the Board shall not renew his certification for the 2010 renewal cycle July 1, 2010 until he has completed the requirements of the terms set out in paragraphs (a) and (b) of this order.

P. Case No. 09-53 – Larry Conner – Motion by Kathy Mayfield, second by Herbert Pritchett and the Board unanimously accepted the agreed order, whereby, the respondent agrees to the following:

(a) Conner agrees to surrender his Associate Real Property License Number 2514 in lieu of discipline.

(b) Conner further agrees that the Board may reopen this matter if he should ever apply for certification with the Board.

Q. Case No. 09-56 – Patricia Hazzard – Motion by Herbert Pritchett, second by Kathy Mayfield and the Board unanimously accepted the agreed order, whereby the respondent agrees to the following:

(a) Hazzard shall complete a 7 hour Basic Report Writing course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by the June 30, 2010.

(b) Hazzard shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(c) Hazzard shall submit to the Board staff a log every 6 months for a period of 2 years from the date of the agreed order and the Board absolutely must review assignments from the log for a period of two years from the date of the agreed order.

(d) Hazzard agrees that the Board shall not renew her certification for the 2010 renewal cycle July 1, 2010 until he has completed the requirements of the terms set out in paragraph (a) and (b) of this order

R. Case Nos. 09-24 and 09-25 – Fred Jarrell – Motion by Kathy Mayfield, second by Herbert Pritchett and the Board unanimously accepted the agreed order, whereby, the respondent agrees to the following:

(a) **Jarrell** agrees to pay a \$4,000.00 fine (\$2,000 for Case 09-24 and \$2,000 for Case 09-25) with the total amount due with the signed agreed order.

(b) **Jarrell** shall complete a 45 hours qualifying education class with successful completion of the final examination. The education shall be completed in the following subject topics: 1) Residential Appraiser Site Valuation and Cost Approach – 15 hours; 2) Residential Sales Comparison and Income Approach – 15 hours; and 3) Advanced Residential Applications and Case Studies – 15 hours. Said 45 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by December 31, 2010.

- (c) **Jarrell** agrees after completing the above national qualifying education, pass the national examination for Certified Residential credential.
- (d) **Jarrell** agrees the Board members, Board staff, or designee can visit the appraiser's office and at random select and review files of appraisal activity for 3 years from the date of the agreed order; and
- (e) **Jarrell** shall have no Associate real property appraiser for 2 years from the date of the agreed order.
- (f) **Jarrell** shall be suspended effective July 1, 2010, from practice or until all of the above items are completed, however, regardless of the time taken to complete the above education and pay the fine, the minimum suspension shall be 6 months.
- (g) **Jarrell** agrees that the Board shall not renew his certification for the 2011 renewal cycle July 1, 2011 until he has completed the requirements of the terms set out in paragraph (a)(b)(c) and (f) of this order.

MISCELLANEOUS

The Board reviewed:

- A. Budget ending April 2010
- B. Office of State Management and Budget Director – Mary Lassiter
- C. Letter to and from Matt Miniard – Herbert Pritchett recused himself from discussion. Motion by Harold Brantley, second by Kathy Mayfield and the Board denied the request to become involved in the issue.
- D. Eric McGlinchey – Motion by Herbert Pritchett, second by Harold Brantley and the Board unanimously agreed to table the discussion until the June Board meeting.
- E. Education providers submitting evaluation forms
 - 1. Instructor/provider complaint – Dean Zantow – Appraisal Institute – Bowling Green 5/21/2010
- F. Vickie Dunn – Motion by Harold Brantley, second by Kathy Mayfield and the Board unanimously denied the continuing education course.
- G. Board Discussion on Certified & Licensed Appraisers doing evaluations – The Board agreed Larry Disney will send Brad Swinney letter.
- H. Board Discussion on “when to take the appraisal exam” – Motion by Harold Brantley, second by Kathy Mayfield and the Board agreed to revise regulation to reflect that all experience must be completed prior to sitting for the National Appraiser Examination. The Board agreed that this will apply to the applicants applying after regulation becomes effective.
- I. Complaint against a non-licensed appraiser - Motion by Kathy Mayfield, second by Harold Brantley and the Board agreed to pursue legal action on Margaret Powell, individual that has presented herself as a licensed/certified appraiser. Marvin L. Wilson will be contacted to work with County Attorney in his area to file complaint.

- J. House Keeping Bill & AMC Bill Status
- K. Method of Approving Experience Credit – The Board will work on language to revise regulation.
- L. Require appraiser to report the fee they are paid in each report – The Board agreed to table the discussion until the June 2010 Board meeting.
- M. Larry Disney reported the HVCC notice was placed in a newsletter that was sent to each appraiser by email.

NEW BUSINESS

The next Board meeting is scheduled for Thursday, June 17, 2010 beginning at 9:00 at the Board office in Richmond, KY.

The September Board meeting will be held in Bowling Green, KY.

Motion by Herbert Pritchett, second by Harold Brantley and the Board voted unanimously to adjourn the meeting.


Chair


Staff Assistant